



NRG Energy, Inc.  
211 Carnegie Center  
Princeton, NJ 08540

December 1, 2005

Mr. Dave Forrest  
Project Manager  
Transmission Planning  
ISO New England Inc.  
One Sullivan Road  
Holyoke, MA 01040-2841

**Re: Meriden Gas Turbines, LLC Settlement**

Dear Mr. Forrest:

Reference is made to the interconnection request relating to Meriden Gas Turbines, LLC ("MGT") generating project submitted on February 16, 1998 ("Interconnection Request") to ISO New England Inc. ("ISO-NE") through its predecessor New England Power Pool. MGT's Interconnection Request is currently the twenty-ninth project (line 31) in ISO-NE's queue of Interconnection Requests for New England Control Area Generation and Elective Transmission Upgrade Requests ("Master Queue").

Whereas, MGT and ISO-NE have engaged in settlement discussions regarding MGT's status in the Master Queue. There is no dispute that MGT is the same generating project identified as "Meriden Power" on the ISO-NE's interconnection queue and as "PDC, Meriden Power," on Schedule 11 (Original Sheet No. 762) of the ISO-NE's Open Access Transmission Tariff ("OATT"). Nor is there any dispute that MGT is a Category B Project.

This Letter Agreement confirms the understanding reached between ISO-NE and MGT regarding the status of MGT's Interconnection Request and the preservation of MGT's Category B Project status, as reported by ISO-NE and MGT to the NEPOOL Transmission Committee at that Committee's October 12, 2005 meeting.<sup>1</sup> Wherefore, in exchange for good and valuable consideration, the receipt of which is hereby acknowledged, the undersigned entities agree as follows:

1. Based upon NRG's proposed revision to its In-Service Date, ISO-NE shall remove the "Meriden Power" Interconnection Request from ISO-NE's Master Queue in accordance with Schedule 22 of the ISO-NE OATT. Such removal is

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<sup>1</sup> Both ISO-NE and NRG representatives attended the NEPOOL TC meeting to answer questions about this arrangement. While ISO-NE presented its view that the delay was a "Material Modification" and that the project did not appear to be abandoned under Schedule 11, MGT outlined the steps that MGT was taking to develop the project.

without prejudice to the right of MGT to submit a new Interconnection Request at any time.


2. MGT's status as a Category B Project shall remain inviolate and the same shall not be subject to change through either Section 205 or Section 206 of the Federal Power Act so long as MGT submits a new Interconnection Request on or before April 2007, with a proposed In-Service Date of 2010. This new interconnection request shall be submitted and administered in accordance with the ISO-NE OATT.
3. The cost of Generator Interconnection Related Upgrades in connection with any new Interconnection Request submitted by MGT shall be determined and shared in accordance with Schedule 11, and Schedule 12, as they exist in the ISO-NE OATT issued on December 22, 2004; provided, however, in no event shall the Shared Amount of the Pool Transmission Facilities (PTF) exceed the Shared Amount that would have been required to safely and reliably interconnect the generating project (i.e., existing Interconnection Request No. 29) in 2005, as adjusted for then-current dollars. The PTF associated with the existing Interconnection Request and their estimated cost in 2005 will be provided to ISO-NE in the form listed in Attachment A, with supporting documentation, no later than forty-five (45) Calendar Days after the date of ISO-NE execution of this Agreement.

ISO-NE represents that it will post a notice on OASIS informing eligible customers of this Letter Agreement. ISO-NE and MGT concur that no modification to the ISO-NE OATT or other filing pursuant to the Federal Power Act is required to give full force and effect to this Letter Agreement.

Very truly yours,

~~MERIDEN GAS TURBINES LLC~~

*CCOIT*

By: 

Name: Scott Devidis

Title: Vice President

ACKNOWLEDGED AND AGREED:  
ISO NEW ENGLAND INC.

By: 

Name: JAMES L. CROSS

Title: VICE PRESIDENT

## ATTACHMENT A

### Pool Transmission Facilities

- New South Kensington Switching Station – a three (3) breaker 345 kV ring bus gas-insulated substation interconnecting generator lead and the existing 348 and 362 345 kV transmission lines.
  - Estimated cost in 2005 dollars:
- Modifications to the existing 348 and 362 345kV transmission lines including moving and raising the lines
  - Estimated cost in 2005 dollars:
- Modifications to the protective relay and telemetering at Southington and Haddam Neck substations; the construction of two (2) 2% switched reactors on the 115kV lines, one on the Southington to Canal 1950 line and another on the Southington to Todd 1910 line, and upgrading the 345 kV terminal at Southington 4C to match the conductor rating.
  - Estimated cost in 2005 dollars: